

EXHIBIT 463

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

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IN RE: NATIONAL	:	
PRESCRIPTION	:	MDL No. 2804
OPIATE LITIGATION	:	
	:	Case No.
	:	1:17-MD-2804
THIS DOCUMENT RELATES	:	
TO ALL CASES	:	Hon. Dan A. Polster

- - -

Thursday, January 3, 2019

HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
CONFIDENTIALITY REVIEW

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Videotaped deposition of JILL A. STRANG, held
at the offices of Cavitch, Familo & Durkin,
1300 East Ninth Street, Cleveland, Ohio, commencing at
8:57 a.m., on the above date, before Carol A. Kirk,
Registered Merit Reporter and Notary Public.

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<p style="text-align: right;">Page 62</p> <p>1 A. They call if they need -- if they 2 have questions, if they need something. I do 3 communicate with all of the stores. 4 Q. Is it mostly a, "Hey, Jill, we 5 need this many bottles of this drug and it 6 didn't show up on time or we need it by this 7 date"? 8 Is that mostly what it's like? 9 A. Every day when the trucks are 10 there, if they need something, if they have 11 questions about different topics, recalls. I 12 mean, I talk to everybody about all the topics. 13 Q. Okay. 14 A. Daily. 15 Q. Do you also communicate or act as 16 an intermediary between DDM and distributors or 17 manufacturers? 18 A. I do. 19 Q. Because you're the buyer, right? 20 A. Yes. 21 Q. So you're the primary person 22 communicating with them, at least on the front 23 end, to get product, correct? 24 A. Yes.</p>	<p style="text-align: right;">Page 64</p> <p>1 necessarily limiting it to you, but I can ask 2 follow -- I'll ask follow-ups, but describe for 3 me what DDM's policies and procedures are 4 regarding the diversion of opioids. 5 A. Are you referring to when they 6 order from me, from the distribution center? 7 Q. Just kind of -- what I'd like you 8 to do is give me a full picture of what DDM does 9 to prevent diversion and comply with the CSA. 10 A. Okay. So what we do is, the 11 stores order weekly. 12 Q. Okay. 13 A. It is ordered through a system 14 called Pioneer. It gives them a recommended 15 order. Each store can set their own minimums 16 and maximums on that. So that way, you know, 17 everything is -- certain stores -- depending on 18 how much they've been dispensing. That order is 19 sent over. 20 As soon as they send the order, 21 they receive back a document that says, "Order 22 items over six-week average." They're given the 23 opportunity right there to review any items. 24 Sometimes it has no items. I've seen a few that</p>
<p style="text-align: right;">Page 63</p> <p>1 Q. Okay. Presumably somebody else 2 pays invoices later and they probably 3 communicate with their financial department, but 4 you're primarily communicating with them on a 5 drug procurement level, right? 6 A. Yes. 7 Q. And that would include, you know, 8 issues regarding diversion and suspicious order 9 monitoring? 10 A. Yes. 11 Q. And drug thresholds and things 12 like that? 13 A. Yes. 14 Q. Okay. And as the individual at 15 DDM primarily responsible for suspicious order 16 monitoring on the distribution end, you agree 17 that DDM has an obligation to monitor orders and 18 shipments for suspicious -- or that look 19 suspicious or may have red flags? 20 A. Yes. 21 Q. Indicative of diversion? 22 A. Yes. 23 Q. Okay. So tell me what -- and I'm 24 just going to talk generally speaking. I'm not</p>	<p style="text-align: right;">Page 65</p> <p>1 have just antibiotics on them, you know, nothing 2 controlled. And, you know, they ordered three 3 bottles instead of two bottles. But they are 4 given that chance to review if anything 5 populates over a six-week average. They have 6 the opportunity to send that to me. 7 As we get the orders, prior to 8 2016, we had a -- it was called a pick ticket. 9 It was a manual way of pulling. And the pullers 10 would -- you know, if it says they wanted two of 11 this, they'd put two, and they'd manually write 12 a two. Items on that pick ticket would have an 13 asterisk next to it if it could have been on the 14 six-week average report, over six-week average. 15 It was very rare that any controls 16 would show up on that. The other items -- 17 unless something -- again, the pullers know 18 their product. You know, if they wanted -- if 19 they normally pull one, two or three of 20 something and all of a sudden somebody wants 20 21 of something, that would be brought to my 22 attention. 23 In our system, I have history of 24 every item. So I would go into the history of</p>

<p style="text-align: right;">Page 70</p> <p>1 would automatically spit out a report that would 2 go to them, to the store? 3 A. It would go to the store. 4 Q. Okay. Would it come to you? 5 A. Not unless -- not unless they sent 6 it to me. 7 Q. Not unless the store sent it to 8 you? 9 A. Exactly. 10 Q. Okay. So store 1 submits an order 11 for hydrocodone, and let's say in your example 12 they order one bottle a week for the prior six 13 weeks, okay? 14 A. Yes. 15 Q. And then on the seventh week they 16 order two bottles, right? 17 A. Yes. 18 Q. Okay. And this is just my 19 hypothetical. They would then get a report from 20 Pioneer that says, "Hey, this order is greater 21 than your six-week average," fair? 22 A. Yes, yes. 23 Q. Okay. But you wouldn't get that 24 report, right?</p>	<p style="text-align: right;">Page 72</p> <p>1 Q. Okay. So all the drugs that are 2 listed on that report have already been shipped 3 out, right? 4 A. Yes. 5 Q. Okay. And so the only potentially 6 prospective report would be the six-week average 7 report, right? 8 A. That, and the knowledge of the 9 person pulling. If it was two bottles instead 10 of one bottle, but if there were five, six, 11 seven bottles, that would definitely be in 12 question. 13 Q. Okay. But you're just relying on 14 someone's memory at that point, right? 15 A. And their knowledge of our stores. 16 Q. Okay. And there's 74 of them, 17 right? 18 A. Yes. 19 Q. Okay. And so let's say a 20 pharmacist gets this, you know, six-week average 21 report, and they ordered one bottle and this 22 time they order two and they get it and they're 23 like, "Well, I know, you know, this is legit." 24 Were there ever instances where</p>
<p style="text-align: right;">Page 71</p> <p>1 A. I do not. 2 Q. Okay. And the only way you would 3 learn that they were ordering more than their 4 six-week average would be if the chief 5 pharmacist contacted you and told you about it, 6 correct? 7 A. Yes. 8 Q. Okay. And so was there anybody at 9 DDM corporate or in the warehouse that would 10 also be notified when one of those reports was 11 generated? 12 A. Yes -- not when the report was 13 generated. If the order was pulled as two, as 14 in your example, monthly there was a report that 15 Tom Nameth and Jason Briscoe would look at, and 16 they would contact that store and inquire, you 17 know, as to why. 18 Q. Okay. 19 A. If there was more patients or 20 whatever, and they would have the ability to 21 answer back as to why. 22 Q. You'd agree that that's sort of 23 more of a retrospective report, correct? 24 A. Yes.</p>	<p style="text-align: right;">Page 73</p> <p>1 they would just, you know, file that report away 2 and not do anything further, that you know of? 3 A. That I know of, yes. 4 Q. Okay. And so did DDM require the 5 chief pharmacist to take any action when they 6 received a report like that? 7 A. No. It's up to their discretion. 8 Q. Okay. And it was sort of a, "Hey, 9 heads up, your average is this, but this time 10 you ordered that. Just wanted to make sure that 11 was right." 12 A. Yes. 13 Q. Okay. And so in that sense, I 14 think this phrase we've used before is it was 15 kind of a fat-finger report to make sure there 16 were no typing errors? 17 A. Yes. 18 MR. JOHNSON: That's a term that 19 you have used. 20 MR. MULLIGAN: Well, other people 21 have used it, too. I think one of your 22 witnesses used it once. 23 MR. JOHNSON: Only in response to 24 the questioning.</p>

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TO ALL CASES	:	Hon. Dan A. Polster

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Thursday, December 6, 2018

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Videotaped deposition of JASON BRISCOE, held
at the offices of Cavitch, Familo & Durkin,
1300 East Ninth Street, Cleveland, Ohio, commencing at
9:05 a.m., on the above date, before Carol A. Kirk,
Registered Merit Reporter and Notary Public.

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<p style="text-align: right;">Page 138</p> <p>1 It would have just been a distribution to one of</p> <p>2 our stores, since they're not our customers and</p> <p>3 it's not a transaction by which we are creating</p> <p>4 revenue. It's just distribution. But --</p> <p>5 Q. Let's use the word "order," okay?</p> <p>6 A. Okay.</p> <p>7 Q. Order, sale, DEA --</p> <p>8 A. Can you repeat -- I got off track.</p> <p>9 Q. That's okay.</p> <p>10 So DDM is not determining whether</p> <p>11 an order is -- it's an anomaly, it appears in</p> <p>12 that report -- whether it's suspicious or not</p> <p>13 until after it completes the order, correct?</p> <p>14 MR. JOHNSON: Objection.</p> <p>15 A. The realtime opportunity to</p> <p>16 identify an order to be an anomaly that</p> <p>17 potentially would lead to due diligence and</p> <p>18 identified as an unresolved suspicious order</p> <p>19 would be based on that -- that inventory</p> <p>20 management report that every purchase order,</p> <p>21 regardless of schedule -- when that's created.</p> <p>22 But the second phase of our system</p> <p>23 is a retrospective analysis of the previous</p> <p>24 month's purchases.</p>	<p style="text-align: right;">Page 140</p> <p>1 MR. JOHNSON: Objection.</p> <p>2 A. It depends on how you're defining</p> <p>3 "due diligence," but I would think that that</p> <p>4 extra set of eyes in both the pharmacy and at</p> <p>5 the distribution center would be a layer of</p> <p>6 protection.</p> <p>7 Q. If the pharmacist said, "Yes, I</p> <p>8 ordered seven bottles of some prescription acne</p> <p>9 medication," then it would get -- the order</p> <p>10 would go through, correct?</p> <p>11 MR. JOHNSON: Objection.</p> <p>12 A. I can't put myself in Jill's</p> <p>13 shoes. Depending upon the store, the</p> <p>14 medication, the situation, the answer, you know,</p> <p>15 Jill might have come to us to say, "We need to</p> <p>16 take a further look."</p> <p>17 Q. I'm not asking you to be in Jill's</p> <p>18 shoes. I'm asking you from DDM's perspective.</p> <p>19 If DDM has a six-week average report, contacts</p> <p>20 the pharmacist and said, "This purchase order</p> <p>21 has popped up on my six-week average report.</p> <p>22 Did you, in fact, order seven bottles of this</p> <p>23 acne medication," and the pharmacist says, "Why,</p> <p>24 yes, we did," it would get shipped, correct?</p>
<p style="text-align: right;">Page 139</p> <p>1 Q. Let's go back to that inventory</p> <p>2 management report, the six-week average, right,</p> <p>3 with -- is it Ms. Strang? Am I saying that</p> <p>4 right?</p> <p>5 A. You got it.</p> <p>6 Q. Okay. Thanks.</p> <p>7 Ms. Strang, she would call the</p> <p>8 pharmacy, right, if she got -- something popped</p> <p>9 up on that six-week average report?</p> <p>10 A. Whether it's blood pressure or --</p> <p>11 Q. Yep.</p> <p>12 A. Yep.</p> <p>13 Q. I mean, it doesn't matter. The</p> <p>14 blood pressure, acne medicine, birth control, it</p> <p>15 doesn't make any difference what it is, right?</p> <p>16 She'd call the pharmacy and say, "You've popped</p> <p>17 up on my six-week average report."</p> <p>18 Right? She was confirming that</p> <p>19 that order was placed and there was no fat</p> <p>20 fingers or anything, right?</p> <p>21 A. True.</p> <p>22 Q. There was no due diligence at that</p> <p>23 point other than confirming there were no fat</p> <p>24 finger entries on the keyboard, correct?</p>	<p style="text-align: right;">Page 141</p> <p>1 MR. JOHNSON: Objection.</p> <p>2 A. Depends, again, on Jill's</p> <p>3 interaction at -- with that particular</p> <p>4 conversation, but, you know, it --</p> <p>5 Q. Let's call that the fat finger</p> <p>6 report. She's calling to check to make sure</p> <p>7 that the entry wasn't incorrect --</p> <p>8 MR. JOHNSON: Objection.</p> <p>9 Q. -- correct?</p> <p>10 A. That's the initiation of her call,</p> <p>11 yes.</p> <p>12 Q. Yes, sir. That report is simply</p> <p>13 checking to make sure that the purchase order</p> <p>14 matches what the pharmacist intended to enter,</p> <p>15 correct?</p> <p>16 A. Yes.</p> <p>17 Q. And if DDM calls and certifies and</p> <p>18 the pharmacy says, "Yes, that's what I intended</p> <p>19 to order," boom, it was -- it was sent out,</p> <p>20 correct?</p> <p>21 MR. JOHNSON: Objection.</p> <p>22 A. Possibly, yes.</p> <p>23 Q. Okay. Well, when you say</p> <p>24 "possibly," what other -- what other policies</p>

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<p style="text-align: right;">Page 150</p> <p>1 policies that we've walked through identified</p> <p>2 orders as suspicious before they were shipped,</p> <p>3 correct?</p> <p>4 MR. JOHNSON: Objection.</p> <p>5 Q. That's problem number one, right?</p> <p>6 MR. JOHNSON: Objection.</p> <p>7 A. There weren't any orders that were</p> <p>8 suspicious, but in a hypothetical ...</p> <p>9 Q. No, I'm not -- this isn't a</p> <p>10 hypothetical. You didn't identify one order in</p> <p>11 12 years, DDM, that was ever suspicious. So</p> <p>12 this isn't a hypothetical.</p> <p>13 In 12 years that we're talking</p> <p>14 about, '06, to 2018, DDM used a formula to</p> <p>15 compare one month's orders to previous orders,</p> <p>16 correct?</p> <p>17 A. We did, yes.</p> <p>18 Q. And one of those formulas was</p> <p>19 simply to confirm purchase orders with the</p> <p>20 pharmacist, correct?</p> <p>21 MR. JOHNSON: Objection.</p> <p>22 A. One of the two reports?</p> <p>23 Q. Yes, sir.</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 152</p> <p>1 generate -- the only -- only reports it</p> <p>2 generated were both based on formulas comparing</p> <p>3 month to month, correct?</p> <p>4 MR. JOHNSON: Objection.</p> <p>5 A. That is correct; however, that was</p> <p>6 not the end of the system. That was only the</p> <p>7 first portion of our system.</p> <p>8 Q. But the only anomalies that were</p> <p>9 reviewed by Mr. Nameth, DDM, anyone at DDM, were</p> <p>10 anomalies on those reports, right?</p> <p>11 MR. JOHNSON: Objection.</p> <p>12 A. The only anomalies that would have</p> <p>13 been investigated specific to these reports,</p> <p>14 yes. If there was another situation that was</p> <p>15 brought to our attention, I can't speak to</p> <p>16 whether or not it was investigated, but I'm</p> <p>17 certain it would have been.</p> <p>18 Q. And the sentence here from the DEA</p> <p>19 says, "For example, a system that identifies</p> <p>20 orders as suspicious only if the total amount of</p> <p>21 controlled substance ordered during one month</p> <p>22 exceeds the amount ordered the previous month by</p> <p>23 a certain percentage or more is insufficient."</p> <p>24 That almost perfectly describes</p>
<p style="text-align: right;">Page 151</p> <p>1 Q. Neither of the two reports were</p> <p>2 designed to halt or cease shipments once that</p> <p>3 anomaly -- that order was placed on a report,</p> <p>4 correct?</p> <p>5 MR. JOHNSON: Objection.</p> <p>6 A. On their face --</p> <p>7 Q. Yes.</p> <p>8 A. -- by themselves?</p> <p>9 No.</p> <p>10 Q. Once -- even though it would</p> <p>11 populate a report, the order would still go out</p> <p>12 the door, correct?</p> <p>13 A. Yes.</p> <p>14 Q. Even though it would have been</p> <p>15 identified as an anomaly on that report,</p> <p>16 correct?</p> <p>17 MR. JOHNSON: Objection.</p> <p>18 A. Yes.</p> <p>19 Q. The DEA relayed that formulas</p> <p>20 comparing one month to a next are insufficient</p> <p>21 to identify suspicious orders, correct?</p> <p>22 MR. JOHNSON: Objection.</p> <p>23 A. Yes.</p> <p>24 Q. And that was DDM's system to</p>	<p style="text-align: right;">Page 153</p> <p>1 the DEA -- I'm sorry -- the DDM system of</p> <p>2 populating reports based on averages from month</p> <p>3 to month, correct?</p> <p>4 MR. JOHNSON: Objection.</p> <p>5 A. It doesn't describe our total</p> <p>6 system. It describes the first phase of our</p> <p>7 system accurately.</p> <p>8 Q. It describes the first phase of</p> <p>9 your system to identify anomalies --</p> <p>10 A. Not suspicious orders.</p> <p>11 Q. -- on reports?</p> <p>12 A. Yes.</p> <p>13 Q. Yes. You all didn't consider them</p> <p>14 suspicious, correct?</p> <p>15 A. On those reports, no, not at that</p> <p>16 point.</p> <p>17 Q. So even though an order might have</p> <p>18 exceeded by 99 percent, you all didn't consider</p> <p>19 that to be suspicious, correct?</p> <p>20 A. Correct.</p> <p>21 Q. So suffice it to say, when this</p> <p>22 letter came out in 2007, DDM never changed its</p> <p>23 SOM policies to incorporate or identify orders</p> <p>24 that may be suspicious other than the rigid</p>